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THE SENATE OF SOUTH CAROLINA
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**PSC SC
MAIL / DMS**

November 6, 2013

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, SC 29211

Dear Ms. Boyd,

Senator Hayes asked me to contact you in support of the requests that Donald Long made in his letter of October 10 in regard to PSC Docket 2013-275-WS. Because of the problems that his constituents have experienced with this service provider, as well as the recent articles in *The State* that have discussed at length its problematic compliance history, I believe that Mr. Long's requests deserve particular attention.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven L. Gilbert".

Steven

Steven L. Gilbert, PhD
Chief of Staff - Director of Research
Office of Senator Robert W. Hayes Jr., Chairman
Senate Banking & Insurance Committee
803-212-6242

Enclosure: Donald Long letter

**Donald G. Long
14 Sunrise Point Court
Lake Wylie, SC 29710**

October 10, 2013

Referring to Docket No. 2013-275-WS

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211

Dear Ms. Boyd,

This letter is in regard to PSC Docket No. 2013-275-WS, the Application of Carolina Water Service, Inc. for adjustment of rates and charges, and for modifications of certain terms and conditions for the provision of water and sewer service in the Lake Wylie area in York County, South Carolina...

In this communication, I am representing in part or in whole the following:

- 1.) Myself as a citizen of South Carolina, a resident of Lake Wylie, and a customer of Carolina Water Service, Inc. (CWS);
- 2.) The Board of Directors and the Membership of the Lake Wylie Civic Association, Inc. (LWCA) of which I am currently Vice President. The LWCA, in turn, represents eleven (11) homeowner's associations in the Lake Wylie area which are comprised of over 3,050 single family residences, and which have a population of over 6,550 individuals, the great majority of whom are served by CWS;
- 3.) The Board of Directors and the Membership of the Lake Wylie Chamber of Commerce, Inc. (LWCC) of which I am currently Vice Chairman, and which counts in its Membership over 350 businesses in and around the immediate Lake Wylie area, most of which are served by CWS; and
- 4.) The Board of Directors and the Membership of the River Hills Community Association, Inc. (RHCA), of which I am currently Vice President, and which counts in its Membership the owners of 1,058 residential properties, all of which are currently served by CWS...

In these capacities, I have several requests, questions, and comments related to the Hearing Date and location(s), and to the associated dates related to the notification requirements for persons wishing to intervene, testify, or simply be notified of any change in the hearing date; to my individual status and participation in the hearing(s); to the content of the cover letter from Utilities, Inc. under which the PSC's Notice of Filing and Hearing was sent; and to the content of the PSC's Notice of Filing and Hearing...

These requests, questions, and comments are not intended to relate to the justification or lack thereof of the specific rates and other provisions requested by Utilities, Inc. and/or CWS in their application...

1.) Regarding hearing date(s):

- I request on behalf of the above-mentioned organizations and the residents of Lake Wylie and York County that they represent, that the hearing date(s) in Columbia and in Lake Wylie (please see **#3 "Regarding hearing location(s)"** below) be held at times between the middle of March, 2014, and the middle of May, 2014... I believe it is incumbent on the Public Service Commission as the representative of the people and on Utilities, Inc. as the service provider in the Lake Wylie area to give a high level of consideration to the lives of and to the local situations affecting the citizens of the area impacted by the proposed substantial rate increase...

The current date in Columbia has several problems associated with it: 1.) Being in early January, it is at the immediate end of the holiday season, making it difficult for residents to spend a reasonable amount of time preparing for the hearing(s); 2.) Being scheduled in Columbia in the month known for the worst weather of the year, and being a significant distance from the impacted area, it tends to discourage participation; and 3.) There is a proposed major school bond local issue relating to the character and location of the local high school facilities serving Lake Wylie which has been, for some time, scheduled for public vote in January or February, 2014... This issue is contentious, and will set the tone of education in the Lake Wylie Community for the next 25 to 40 years...

Both the school bond issue and the CWS rate increase issue are extremely important to the Lake Wylie Community... Both will occupy the time and effort of a large number of residents during that period... These considerations being coincident will mean that neither issue will get the attention they deserve...

While citizen inattention and lack of participation may, by accident or intent, serve the interests and strategy of an applicant in a rate case, they rarely, if ever, serve the public interest... Please delay the rate increase hearing date(s) as requested above...

2. Regarding the filing dates for intervening, testifying and presenting evidence, and requesting notification of change of hearing dates:

- The October 18, 2013 date for filing to intervene, testify and present evidence, and/or request notification of change of hearing dates is far too quick on the heels of the receipt of the Notice of Filing and Hearing... While Utilities, Inc. did not date their cover letter on the Notice of Filing and Hearing, it appears that it was not sent before October 1, 2013, even though the application for rate increase was filed on September 4, 2013... In addition, a number of persons have said that they did not receive their Notice until the weekend (October 5, 2013) and some have said they still haven't received the Notice as of October 10, 2013...

I request on behalf of the organizations and their members listed above that this date be extended at least a month to November 18, 2013 to give residents a reasonable amount of time to consider their position on the issue... If, as requested, the date of the hearing is re-noticed, the date for these filings should be at least forty-five (45) days following the date of the Notice of Filing and Hearing...

3. Regarding hearing location(s):

- As provided for in the Notice of Filing and Hearing, I herewith request that a hearing be held in York County, SC on the matter covered by PSC Docket No. 2013-275-WS... More specifically, I would

request that said hearing be held in the evening, preferably at 7:00pm, at the River Hills Community Church Family Life Center, where a hearing on the last such rate increase request was held... The facility is conveniently located within the CWS service area and can accommodate and has sufficient associated parking for at least 400 attendees... Requests for use of the facility can be communicated to: River Hills Community Church; 104 Hamilton's Ferry Road; Lake Wylie, SC 29710; 803-831-1615; email churchoffice@rhconline.org; Attn: Dick Meier, Business Manager...

4. Regarding my personal participation and status in the hearings:

- I herewith give notice that I wish to testify and present evidence at the hearings as per the specification on page 5 of the Notice of Filing and Hearing regarding PSC Docket No. 2013-275-WS... Because of the organizations I am representing and the number of citizens / CWS customers which they represent that I be allowed to give testimony at all public hearings on this matter...

5. Regarding to the content of the cover letter from Utilities, Inc. under which the PSC's Notice of Filing and Hearing was sent:

- The cover letter from Utilities, Inc. under which the PSC's Notice of Filing and Hearing in the matter of PSC Docket No. 2013-275-WS was sent is, in my opinion, improper in respect to its content and to the implications thereof... I am, frankly, very disappointed in the oversight of the PSC as it relates to what should be a totally unbiased letter of transmittal completely under the flag of the PSC... It should certainly not be a blatant, misleading, and fluffy letter marketing flyer supporting their application, yet that's what this cover letter clearly is...

- By extension and implication, the letter makes it appear that the PSC supports the application, if only due to the physical connection between the notice and the clearly biased cover letter thereto...

- The letter makes the statement that, "Your current rates do not provide funding of any capital expenditures that occurred after September, 2010."... This is grossly misleading in that the amounts paid by customers based on the rates provide for return on investment in the form of net income or profitability which, in turn, provides funds for capital expenditures which, in turn, provides the basis for more return on investment, etc. etc.

- The letter then lists a group of twelve (12) "investments" totaling "in excess of \$4,800,000" ... It does not detail the amount of each, the purpose of each, the nature of each, the necessity of each, or whether any of the "investment" went to salaries and wages, other operating and general expenses, or depreciation, so it's impossible to evaluate whether these items are significant and/or warranted, and whether these are truly capital expenditures or simply operating expenses or some of each...

- For reasons that are unclear, the letter is undated...

- Because many residents have recently received several other marketing publications and flyers from Utilities, Inc., of somewhat similar appearance, some may have assumed that this was just another one of the same, and tossed it in the trash without reading it, since the letter did not clearly or prominently state that its purpose was the transmission of the PSC Notice...

The net of all this is that the PSC should, at the applicant's expense, send out a "clean" Notice with a cover letter on PSC stationery, so that the intent and content of the communication are clear and unbiased...

6. Regarding the content of the PSC's Notice of Filing and Hearing:

- The need to send four separate letters to four separate locations just to be able to speak at a hearing is very off-putting... In the middle of page 5 of the Notice, the statement is made that, "In order for testimony and evidence to be received from all interested parties..."..., and then the Notice proceeds to discourage such participation by requiring burdensome, time-consuming, costly, and unjustified effort on the part of, potentially, hundreds of citizens, just so they can say a few words about a subject of great importance to them... A citizen should be able to come to the public hearing and be able to speak simply by signing up at the place of the hearing...

- The notice mentions that the application is available on the PSC's web site, but doesn't provide even the barest guidance about the content of same such as financial statements for CWS's operations which are integral to a detailed evaluation of the justification for the application...

- Some of the terminology is confusing, and no attempt is made to define such terms as "elder valves" and "curb stops" or to explain what constitutes showing that one "intends to vacate his premises" or what constitutes "molesting" a piece of equipment...

- If a hearing date is changed, why does a citizen and customer of CWS have to ask to be informed of such... They received a public notice that is now in error, and should be corrected to all who received the initial notice...

- Only in the case of sewer charges and then only in the case of residential use is the rate term (i.e. "monthly") specified, even though it was specified in the applicants Application... It should be specified in all cases rather than being assumed to be obvious...

- In no case is the percentage of the requested increase specified... Since this is a very meaningful number for most citizens, it should be specified in all cases...

- There is no indication that the financial statements included in Exhibit "B" of the Application are audited statements... Most would say that this renders them, at best, suspect, and, at worst, useless in evaluating the appropriateness of the rate increase request... It seems that this matter is of sufficient importance that audited statements should be provided...

In summary:

1.) I request that the announced hearing on PSC Docket No. 2013-275-WS currently scheduled for mid-January, 2014 in Columbia, SC be delayed to a time between mid-March, 2014 and mid-May, 2014 to provide consideration for the customers of CWS and their families, and to provide sufficient time for citizens to give reasonable time and attention to the application ...

2.) I request that a second hearing be scheduled in the evening during the time interval (mid-March, 2014 to mid-May, 2014) in Lake Wylie in York County, SC to allow the greatest number of concerned citizens to attend and, if desired, provide testimony...

3.) I request that the end dates for filing or petitioning to intervene, testify, or receive future notices be positioned at least 45 days following the sending of the notice of hearing to allow citizens a reasonable amount of time to consider their participation...

4.) I request that the hearing(s) associated with PSC Docket No. 2013-275-WS be re-noticed to all the appropriate citizens of the affected CWS service areas, and that such Notice of Filing and Hearing be sent by the PSC on PSC stationery and at applicant expense without comment by the applicant in order

that the Notice be "clean", unbiased, and free of self-serving marketing content in support of the application...

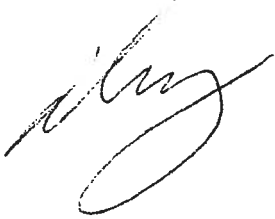
5.) I request that additional effort be made to insure that all reasonable information about the application such as CWS balance sheets, income and expense statements, definitions of terms, percentages of rate increases, applicable billing periods, and rate terms and conditions are clearly called out in the notice to the citizens being given notice of the filing and hearing(s)...

6.) I request that the applicant's financial statements, in order to be of any real use, be required to be audited statements...

7.) I request that I be recorded, as per the Notice of Filing and Hearing, as wishing to testify and present evidence at any and all hearing(s)

Thank you for your timely consideration and attention to the preceding requests...

Sincerely,

A handwritten signature in black ink, appearing to be "J. L. Terreni", written over a horizontal line.

Cc:

- Office of Regulatory Staff, 1401 Main St., Ste. 900, Columbia, SC 29201
- Charles L. A. Terreni, Terrini Law Firm, LLC 1508 Lady St., Columbia, SC 29201
- Scott Elliott, Elliott & Elliott, P.A., 1508 Lady St., Columbia, SC 29201
- Senator Harvey Peeler, P.O. Box 742, Gaffney, SC 29342
- Senator Wes Hayes, 1486 Cureton Dr., Rock Hill, SC 29732
- Representative Ralph Norman, P.O. Box 36518, Rock Hill, SC 29732
- Representative Tommy Pope, P.O. Box 471, York, SC 29745